



MILESTONE

FUNERAL PARTNERS

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LD 867, AN ACT REGARDING PRENEED FUNERAL INSURANCE

3/13/2025

Health Coverage, Insurance, and Financial Services Committee

Senator Donna Bailey, Senate Chair

Representative Lori Gramlich, House Chair

Senator Bailey, Representative Gramlich and members of the Health Coverage, Insurance and Finance Committee, my name is Michael Martel; I am a citizen of Auburn, a licensed funeral director, the co-founder and CEO of Milestone Funeral Partners, and the past president of the Maine Funeral Directors Association. I'm here today, to testify in support of L.D. 867, An Act Regarding Preneed Funeral Insurance.

I started in the Funeral Profession in Lewiston Maine in 1992. Back then we staffed the facility from 8AM to 9PM every single day. Often it was Sunday mornings that the phone rang like crazy with elderly folks calling with questions on their pre-arrangements. (Often times in French!) I grew to enjoy that piece of the business, and later focused on it. By 1999 I was involved with other funeral homes, both in ME and in NH and MA. It was at that point that I learned about funding prearrangements with a specialized insurance product, sold directly by the funeral directors, right there at the funeral home. I remember telling my parents at the time all of the great options it provided, full and partial, payment over time, coverage the minute you left the funeral home. So as my own family members retired, and made their pre-arrangements they would ask for help (of-course, they all call the "funeral director" in the family). Now my parents here in Maine, have a trust with some friends of mine at the The Fortin and Pinette firms in Lewiston, but all of my family members in NH and MA all have some type of insurance funded preneed product at the various funeral home that they have prearrangements at. The fact is, they understand insurance, the cost of insurance and the benefits. As adults they benefitted from life, car, property, liability, and home owners insurance throughout their lives. So, as end of life planners, it just made sense to consider this option as a means of funding a pre-arrangement.

It's important for you as committee members to understand the opportunity you have in front of you:

- Since 2022, the number of Americans preplanning has grown by over 5% each year. Maine is no different, and with our aging population you might assume it's growing even faster.
- A 2024 study shows funeral professionals are in the top 10 of America's most trusted professions.
- Preneed insurance is a specialized product regulated the board of insurance, subject to the rigorous rating and investment standards of the insurance industry. It's sold by licensed funeral directors exclusively. Compensation is in line with the industry standard of general agency revenues (aka commissions).
- The Insurance product we are asking you to approve for preneed funding tool is an option.
 - o It's optional for families to buy it. They may prefer trust. Or they may not fund at all
 - o It's optional for funeral homes to offer.
 - Firms can offer it along with trust, or not. (It's kind of like caskets, vaults, or any other piece of the profession. Owners can decide what they want to sell and what they don't want to sell)
 - My company, Milestone Funeral Partners is Maine based, but we buy funeral homes across New England. Of the firms we buy, 60% probably offered insurance and trust, 30% offer trust only, and 10% offer insurance only. And even more importantly, it's not a major issue, not a point of contention, not something the state association discusses, frankly, nobody cares who offers what...

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- Preneed strengthens Maine's funeral homes
 - The vast majority of Maine funeral homes are locally owned, small businesses.
 - Often they are generational Maine family businesses.
 - They are trusted community members.
 - The majority are members of the Maine Funeral Directors Association which fully supports and rigorously endorses the passages of this act.
 - For firms that choose to offer the insurance product, this new product can even help with:
 - New educational, training, and licensing opportunities for their funeral directors.
 - Compensation in the form of commissions to the funeral home, helping offset inflationary costs and giving owners another option as they work to manage pricing in Maine's small communities.

In closing, as a past president of the MFDA, I want to thank you all for your willingness to work with funeral directors from every corner of the State to join the other 48 states that have pre-need as a tool in their tool belt while serving families. As you heard today, MFDA has dedicated countless hours to ensuring that the best bill was put forward for the consumer and in practice for the funeral directors. We welcome additional feedback and are willing to work with the committee to ensure that we find a path forward to providing this option to the families we work with.

Again, thank you and please reach out at anytime with any questions.

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LD867 – An Act Regarding Pre-Need Funeral Insurance

Pre-Need Insurance Does Not Exist in Maine

While life insurance is available in Maine, **pre-need insurance is a specialized product** designed specifically for funeral planning. Maine law currently prohibits its sale, leaving Maine families—especially those near the New Hampshire border—at a disadvantage. **Every state, except Maine and New York, allows pre-need insurance**, giving families **more flexibility** in planning for their future.

Voluntary Option & Unsolicited

Pre-need insurance is a **completely voluntary option**—offered only after families express interest in pre-arranging services. Families retain full control over their decisions. Funeral Practitioners, as trusted professionals, are uniquely qualified to **educate—not pressure—families** about pre-need options. They would adhere to Maine's solicitation laws, which prohibit cold calling and unsolicited sales. **Professional ethics and community trust** ensure families are never subjected to high-pressure tactics.

Commissions are Standard Practice

Commissions for pre-need insurance are based **only on the insurance product itself**. No commissions are given for funeral services. This **industry-standard practice** applies in all 48 states where pre-need insurance is legal—just as monument and casket sales professionals receive commissions on their products just like any other insurance product sold by insurance professionals.

An Additional Option to Mortuary Trust - Not a Replacement

Pre-need insurance does not replace mortuary trust agreements. It provides families with an **alternative payment option** for pre-planning funerals, offering flexibility based on individual financial situations. **Pre-need insurance complements mortuary trusts** by giving families the freedom to choose the financial tool that best meets their needs.

Regulated & Portable

Pre-need insurance is **strictly regulated**, ensuring **funds are protected, secure, and used for their intended purpose**. This added layer of financial security benefits families by **locking in today's prices** and safeguarding against future cost increases. Pre-need insurance policies are backed by **reputable insurers**, protected from misuse, and **fully portable**, allowing families to transfer policies if they move out of state.

Strengthens Maine's Funeral Profession

Passing LD 867 would **create new career opportunities for Maine's Funeral Practitioners** and help funeral homes attract and retain skilled employees. Licensed Funeral Practitioners who sell pre-need insurance in other states would have the opportunity to work in Maine, helping to address the growing labor shortage in the profession, strengthening Maine's funeral businesses—95% of which are small businesses, with nearly 50% family-owned. This increased economic activity would support local communities, create jobs, and ensure families have access to essential end-of-life planning services.

We encourage you to join us in supporting Maine Funeral Practitioners being able to offer Pre-Need Insurance along with the other 48 states by **passing LD867 because Maine Families Deserve Trusted Guidance**.